

(B) by inserting after paragraph (5) the following new paragraph:

“(6) Section 1725 of this title.”.

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 1724 the following new item:

“1725. Reimbursement for emergency treatment.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(d) IMPLEMENTATION REPORTS.—The Secretary of Veterans Affairs shall include with the budget justification materials submitted to Congress in support of the Department of Veterans Affairs budget for fiscal year 2002 and for fiscal year 2003 a report on the implementation of section 1725 of title 38, United States Code, as added by subsection (a). Each such report shall include information on the experience of the Department under that section and the costs incurred, and expected to be incurred, under that section.

SEC. 103. ELIGIBILITY FOR CARE OF COMBAT-INJURED VETERANS.

(a) PRIORITY OF CARE.—Chapter 17 is amended—

(1) in section 1710(a)(2)(D), by inserting “or who was injured in combat” after “former prisoner of war”; and

(2) in section 1705(a)(3), by inserting “or who were injured in combat” after “former prisoners of war”.

(b) DEFINITION OF INJURED IN COMBAT.—Section 1701 is amended by adding at the end the following new paragraph:

“(10) The term ‘injured in combat’ means wounded in action as the result of an act of an enemy of the United States or otherwise wounded in action by weapon fire while directly engaged in armed conflict (other than as the result of willful misconduct by the wounded individual).”.

SEC. 104. ACCESS TO CARE FOR MILITARY RETIREES.

(a) IMPROVED ACCESS.—(1) Section 1710(a)(2) is amended—

(A) by striking “or” at the end of subparagraph (F);

(B) by striking the period at the end of subparagraph (G) and inserting “; or”; and

(C) by adding at the end the following new subparagraph:

“(H) who has retired from active military, naval, or air service in the Army, Navy, Air Force, or Marine Corps, is eligible for care under the TRICARE program established by the Secretary of Defense, and is not otherwise described in paragraph (1) or in this paragraph.”.

(2) Section 1705(a) is amended—

(A) by redesignating paragraph (7) as paragraph (8);

(B) by inserting after paragraph (6) the following new paragraph (7):

“(7) Veterans who are eligible for hospital care, medical services, and nursing home care under section 1710(a)(2)(H) of this title.”; and

(C) in paragraph (6), by inserting “(other than subparagraph (H) of such section)” before the period at the end.

(b) INTERAGENCY AGREEMENT.—(1) The Secretary of Defense shall enter into an agreement (characterized as a memorandum of understanding or otherwise) with the Secretary of Veterans Affairs with respect to the provision of medical care by the Secretary of Veterans Affairs to eligible military retirees in accordance with the amendments made by subsection (a). That agreement shall include provisions for reimbursement of the Secretary of Veterans Affairs by the Secretary of Defense for medical care provided by the Secretary of Veterans Af-

fairs to an eligible military retiree and may include such other provisions with respect to the terms and conditions of such care as may be agreed upon by the two Secretaries.

(2) Reimbursement under that agreement shall be in accordance with rates agreed upon by the Secretary of Defense and the Secretary of Veterans Affairs. Such reimbursement may be made by the Secretary of Defense or by the appropriate TRICARE Managed Care Support contractor, as determined in accordance with that agreement.

(3) In entering into the agreement under paragraph (1), particularly with respect to determination of the rates of reimbursement under paragraph (2), the Secretary of Defense shall consult with TRICARE Managed Care Support contractors.

(4) The Secretary of Veterans Affairs may not enter into an agreement under paragraph (1) for the provision of care in accordance with the amendments made by subsection (a) with respect to any geographic service area, or a part of any such area, of the Veterans Health Administration unless—

(A) in the judgment of that Secretary, the Department of Veterans Affairs will recover the costs of providing such care to eligible military retirees; and

(B) that Secretary has certified and documented, with respect to any geographic service area in which the Secretary proposes to provide care in accordance with the amendments made by subsection (a), that such geographic service area, or designated part of any such area, has adequate capacity (consistent with the requirements in section 1705(b)(1) of title 38, United States Code, that care to enrollees shall be timely and acceptable in quality) to provide such care.

(5) The agreement under paragraph (1) shall be entered into by the Secretaries not later than nine months after the date of the enactment of this Act. If the Secretaries are unable to reach agreement, they shall jointly report, by that date or within 30 days thereafter, to the Committees on Armed Services and the Committees on Veterans' Affairs of the Senate and House of Representatives on the reasons for their inability to reach an agreement and their mutually agreed plan for removing any impediments to final agreement.

(c) DEPOSITING OF REIMBURSEMENTS.—Amounts received by the Secretary of Veterans Affairs under the agreement under subsection (b) shall be deposited in the Department of Veterans Affairs Health Services Improvement Fund established under section 1729B of title 38, United States Code, as added by section 202.

(d) PHASED IMPLEMENTATION.—(1) The Secretary of Defense shall include in each TRICARE contract entered into after the date of the enactment of this Act provisions to implement the agreement under subsection (b).

(2) The amendments made by subsection (a) and the provisions of the agreement under subsection (b)(2) shall apply to the furnishing of medical care by the Secretary of Veterans Affairs in any area of the United States only if that area is covered by a TRICARE contract that was entered into after the date of the enactment of this Act.

(e) ELIGIBLE MILITARY RETIREES.—For purposes of subsection (b), an eligible military retiree is a member of the Army, Navy, Air Force, or Marine Corps who—

(1) has retired from active military, naval, or air service;

(2) is eligible for care under the TRICARE program established by the Secretary of Defense;

(3) has enrolled for care under section 1705 of title 38, United States Code; and

(4) is not described in paragraph (1) or (2) of section 1710(a) of such title (other than sub-

paragraph (H) of such paragraph (2)), as amended by subsection (a).

SEC. 105. BENEFITS FOR PERSONS DISABLED BY PARTICIPATION IN COMPENSATED WORK THERAPY PROGRAM.

Section 1151(a)(2) is amended—

(1) by inserting “(A)” after “proximately caused”; and

(2) by inserting before the period at the end the following: “, or (B) by participation in a program (known as a ‘compensated work therapy program’) under section 1718 of this title”.

SEC. 106. PILOT PROGRAM OF MEDICAL CARE FOR CERTAIN DEPENDENTS OF ENROLLED VETERANS.

(a) IN GENERAL.—(1) Chapter 17 is amended by inserting after section 1713 the following new section:

“§ 1713A. Medical care for certain dependents of enrolled veterans: pilot program

“(a) The Secretary may, during the program period, carry out a pilot program to provide primary health care services for eligible dependents of veterans in accordance with this section.

“(b) For purposes of this section:

“(1) The term ‘program period’ means the period beginning on the first day of the first month beginning more than 180 days after the date of the enactment of this section and ending three years after that day.

“(2) The term ‘eligible dependent’ means an individual who—

“(A) is the spouse or child of a veteran who is enrolled in the system of patient enrollment established by the Secretary under section 1705 of this title; and

“(B) is determined by the Secretary to have the ability to pay for such care or services either directly or through reimbursement or indemnification from a third party.

“(c) The Secretary may furnish health care services to an eligible dependent under this section only if the dependent (or, in the case of a minor, the parent or guardian of the dependent) agrees—

“(1) to pay to the United States an amount representing the reasonable charges for the care or services furnished (as determined by the Secretary); and

“(2) to cooperate with and provide the Secretary an appropriate assignment of benefits, authorization to release medical records, and any other executed documents, information, or evidence reasonably needed by the Secretary to recover the Department's charges for the care or services furnished by the Secretary.

“(d)(1) The health care services provided under the pilot program under this section may consist of such primary hospital care services and such primary medical services as may be authorized by the Secretary. The Secretary may furnish those services directly through a Department medical facility or, subject to paragraphs (2) and (3), pursuant to a contract or other agreement with a non-Department facility (including a health-care provider, as defined in section 8152(2) of this title).

“(2) The Secretary may enter into a contract or agreement to furnish primary health care services under this section in a non-Department facility on the same basis as provided under subsections (a) and (b) of section 1703 of this title or may include such care in an existing or new agreement under section 8153 of this title when the Secretary determines it to be in the best interest of the prevailing standards of the Department medical care program.

“(3) Primary health care services may not be authorized to be furnished under this section at any medical facility if the furnishing of those services would result in the denial of, or a delay in providing, access to care for any enrolled veteran at that facility.